

John T. Scott, III  
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July 17, 2009

*Written Ex Parte Presentation*

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

Re: RM-11497, Rural Cellular Association Petition for Rulemaking Regarding  
Exclusivity Arrangements Between Commercial Wireless Carriers and Handset  
Manufacturers

WT Docket No. 09-66, Fourteenth Annual Report and Analysis of Competitive  
Market Conditions with Respect to Commercial Mobile Services

Dear Ms. Dortch:

Enclosed herewith for filing in the above-referenced dockets are copies of letters from Lowell C. McAdam, President and Chief Executive Officer of Verizon Wireless, to Representative Rick Boucher, Senator John F. Kerry and Senator John D. Rockefeller IV. The letters set forth Verizon Wireless's new policy on handset exclusivity arrangements.

Pursuant to Section 1.1206 of the Commission's Rules, this ex parte presentation is being filed electronically in these proceedings. Should you have questions regarding this filing, please contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink that reads "John T. Scott, III" with a stylized flourish at the end.

John T. Scott, III

Enclosures

cc: Chairman Julius Genachowski  
Commissioner Michael J. Copps  
Commissioner Robert M. McDowell  
Bruce Gottlieb  
Paul Murray  
Angela Giancarlo  
Ruth Milkman  
James Schlichting  
Renee Crittendon  
John Leibovitz

Lowell C. McAdam  
President & Chief Executive Officer



Verizon Wireless  
One Verizon Way  
VC43E030  
Basking Ridge, NJ 07920

Phone 908 559-7310  
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July 17, 2009

The Honorable Rick Boucher  
Chairman  
Subcommittee on Communications, Technology and the Internet  
House Committee on Energy and Commerce  
U.S. House of Representatives  
2187 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Boucher:

Last February, a group of 24 small wireless providers asked Verizon Wireless to eliminate long-term exclusive handset agreements with LG and Samsung. We agreed to do so for those small providers. Today I am writing to reaffirm that commitment and to let you know that Verizon Wireless is taking an even bolder step to transform exclusive handset arrangements. Effective immediately for small wireless carriers (those with 500,000 customers or less), any new exclusivity arrangement we enter with handset makers will last no longer than six months – for all manufacturers and all devices.

This new approach is fair to all sides. Exclusivity arrangements promote competition and innovation in device development and design. We work closely with our vendors to develop new and exciting devices that will attract customers. When we procure exclusive handsets from our vendors we typically buy hundreds of thousands or even millions of each device. Otherwise manufacturers may be reluctant to make the investments of time, money and production capacity to support a particular device. This of course constitutes a major risk for us, because if the device is not popular in the marketplace we end up with excess inventory and potential competitive losses. On the other hand, if the device does well in the market, six months is a reasonable time for us to earn the benefit of our risk and investment.

Moreover, we have no objection to small carriers having full access to any manufacturer's portfolio of prototypes and products in development, without being informed which may have been selected by Verizon Wireless. Obviously our pre-launch product selections are proprietary and must remain confidential between us and our vendors.

Our actions today are consistent with our long track record of leading the vibrant, highly competitive wireless industry in new and innovative directions that benefit consumers. We would be happy to meet with you or your staff to discuss this further.

Sincerely,

A handwritten signature in black ink, appearing to read "L. C. McAdam". The signature is fluid and cursive, with the first name "L." and last name "McAdam" clearly distinguishable.

Lowell C. McAdam

cc: Chairman Waxman  
Ranking Member Barton  
Ranking Member Stearns

Lowell C. McAdam  
President & Chief Executive Officer



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July 17, 2009

The Honorable John F. Kerry  
Chairman  
Subcommittee on Communications, Technology and the Internet  
Committee on Commerce, Science and Transportation  
United States Senate  
Room 218, Russell Office Building  
Washington, D.C. 20510

Dear Chairman Kerry:

Last February, a group of 24 small wireless providers asked Verizon Wireless to eliminate long-term exclusive handset agreements with LG and Samsung. We agreed to do so for those small providers. Today I am writing to reaffirm that commitment and to let you know that Verizon Wireless is taking an even bolder step to transform exclusive handset arrangements. Effective immediately for small wireless carriers (those with 500,000 customers or less), any new exclusivity arrangement we enter with handset makers will last no longer than six months – for all manufacturers and all devices.

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Lowell C. McAdam

cc: Ranking Member Ensign

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President & Chief Executive Officer



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July 17, 2009

The Honorable John D. Rockefeller IV  
Chairman  
Committee on Commerce, Science and Transportation  
United States Senate  
Room 531, Hart Office Building  
Washington, D.C. 20510

Dear Chairman Rockefeller:

Last February, a group of 24 small wireless providers asked Verizon Wireless to eliminate long-term exclusive handset agreements with LG and Samsung. We agreed to do so for those small providers. Today I am writing to reaffirm that commitment and to let you know that Verizon Wireless is taking an even bolder step to transform exclusive handset arrangements. Effective immediately for small wireless carriers (those with 500,000 customers or less), any new exclusivity arrangement we enter with handset makers will last no longer than six months – for all manufacturers and all devices.

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Sincerely,

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Lowell C. McAdam

cc: Ranking Member Hutchison